

## The Business Case for Investing in a Smoke-Free Workplace is Clear

If your business offers a smoke-free workplace and a smoking cessation program for employees, many of them will break free from their tobacco dependence. In return, your company will reap the following benefits over time:

- Lower prevalence of employee absence and turnover due to illness or death.
- More affordable health insurance premiums.
- Lower overhead.
- Improved pride in your workforce.

### Reduce Employee Absence and Turnover with Smoke-Free Policies

#### *Make Your Workforce More Productive*

Smokers, on average, miss 6.16 days of work per year due to sickness (including smoking-related acute and chronic conditions) (3). Nonsmokers miss 3.86 days of work per year. Multiply the number of smokers on your workforce by 2 days of work, and you'll find that you're paying a lot for lost productivity. Surveys show smokers also take longer and more frequent work breaks.



#### *Stop Grinding Up Your Money*



The Centers for Disease Control (CDC) estimates each employee that smokes costs your company \$3,391 per year -- including \$1,760 in lost productivity and \$1,623 in excess medical expenses (4). Wisconsin businesses lose \$1.4 billion in worker productivity each year due to sickness and premature death caused by smoking. In addition, the average annual healthcare costs related to smoking in Wisconsin is \$1.5 billion. All told, smoking costs Wisconsin businesses almost \$3 billion a year (5).

Smoking is the leading cause of preventable death each year in the United States, claiming more than 440,000 lives each year, including more than 7,000 in Wisconsin (6). That's more than the combined death rates for AIDS, drugs, alcohol, homicide, suicide and motor vehicle accidents, according to the CDC. Research shows the cost of employee turnover is quite high.

## Save on Health Insurance Premiums with Smoke-Free Policies

Many health insurers offer discounts for businesses that provide smoke-free environments and smoking cessation programs.



**Here's why. Smokers tend to require more medical costs, see physicians more often and be admitted to hospitals for longer periods than nonsmokers.**

According to the American Cancer Society, a study of health care utilization in 20,000 employees showed smokers had more hospital admissions per 1,000 (124 vs. 76), had a longer average length of stay (6.5 vs. 5 days) and made six more visits to health care facilities per year than nonsmoking employees (7).

Research shows that, while healthcare costs decline over time for former smokers, healthcare costs for continuing smokers can dramatically increase over time. If a health plan had no smokers, estimated savings would be approximately \$1.3 million per year per 10,000 smokers, according to a healthcare actuarial study conducted on behalf of the Colorado Clinical Guidelines Collaborative (8). That study showed smokers add approximately seven percent to the total cost of healthcare by using tobacco. Individual smokers average 30 percent higher healthcare costs than nonsmokers. Contact Chris Hollenback at UW-CTRI, (608) 262-3902, for a copy of a full actuarial analysis.

### By the Numbers

**30%** = higher percentage of healthcare expenses for a smoker vs. nonsmoker (8)

**74%** = percentage of Wisconsin insurers covering some form of cessation medication (9)

**\$490** = average extra annual medical expenses from regular exposure to secondhand smoke (10)

**\$1,623** = average additional medical expenses per year for a smoker (4)

**\$2.9 billion** = combined healthcare expenses and lost productivity due to smoking in Wisconsin (5)

Businesses pay an average of \$1238 more in workers' compensation costs per smoker per year. (11)

## Smoke-Free Businesses Have Lower Overhead

Research shows employers who offer smoke-free environments and smoking cessation programs have lower overhead and cleaner work environments.

Construction and maintenance costs are approximately seven percent higher in buildings that allow smoking (2). Businesses offering smoke-free environments enjoy savings in cleaning and maintenance costs.

The U.S. Environmental Protection Agency (EPA) estimates that smoke-free restaurants can expect to save about \$190 per 1,000 square feet each year in lower cleaning and maintenance costs (1). The EPA also estimates a savings of \$4 billion to \$8 billion per year across the country in building operations and maintenance costs if comprehensive smoke-free indoor air policies were adopted nationwide (2).



## Boost Employee Morale with Smoke-Free Policies

Offering a smoke-free environment and smoking cessation program shows your employees you care about their health and wellbeing. Nonsmoking employees will appreciate the healthier environment.



Smokers who want to quit – and research shows that number to be as high as 75 percent – will appreciate the smoke-free environment, too, because it will assist them in their quit attempt (12)

Studies show that, in the long run, smokers who quit feel better physically, mentally and emotionally. Cleaner environments have also been shown to boost employee pride in their work environment and employer.

For more, visit [www.ctri.wisc.edu](http://www.ctri.wisc.edu).

## References

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